

CONTRACT
BETWEEN
STATE OF MARYLAND
DEPARTMENT OF BUDGET AND MANAGEMENT -
CENTRAL COLLECTION UNIT

THIS AGREEMENT (the "Agreement"), is made (Note: CCU will complete the date) as of the ____ of _____, 20__ by and between the Department of Budget and Management/Central Collection Unit, ("Department") and _____ (the "Contractor") whose principal address is _____.

The Department and the Contractor do mutually agree as follows:

1. **Services to be Provided.**

(a) Subject to the provisions of this Contract, the Contractor shall provide debt collection service in accordance with the solicitation dated, January 18, 2000, attached as Attachment I and incorporated by reference herein.

(b) CCU retains the unilateral right to require changes in the scope of services so long as the changes are within the general scope of work to be performed hereunder.

2. **Term of Agreement.** (This section will be completed by CCU.)

Performance under this Agreement shall commence on May 1, 2000, and shall continue through April 30, 2002. At the sole option of the Department, this Agreement may be extended upon the same terms and conditions for one successive, one-year renewal period.

3. **Compensation and Method of Payment.**

(a) Compensation. Contractor shall be compensated for services satisfactorily performed at the rate of _____.

(b) Method of Payment. Payments to the Contractor shall be made no later than thirty (30) days after the Department's receipt of a proper invoice from the Contractor. Charges for late payment of invoices other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited.

(c) Tax Identification Number. Contractor's Federal Tax Identification Number is _____. Contractor's Social Security Number is _____ (Individual Contractor Only). Contractor's Federal Tax Identification Number or Social Security Number shall appear on all invoices

submitted by the Contractor to Department for payment.

4. **Procurement Officer**

The Department designates John E. Hand to serve as Procurement Officer for this Agreement. All contact between the Department and the Contractor regarding all matters relative to this Agreement shall be coordinated through the Procurement Officer.

5. **Responsibility of Contractor**

The Contractor shall perform the services with that standard of care, skill, and diligence normally provided by a Contractor in the performance of services similar to the services hereunder.

6. **Delays and Extensions of Time**

The Contractor agrees to perform this Agreement continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances, regardless of cause, in the performance of services under this Contract. Time extensions may be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a State contract, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or the delay of a subcontractor or supplier arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractor or supplier.

7. **Set-Off**

The Department may deduct from and set-off against any amounts due and payable to the Contractor any back-charges, penalties, or damages sustained by the Department, by virtue of any breach of this Contract by the Contractor.

Nothing herein shall be construed to relieve the Contractor of liability for additional costs resulting from a failure to satisfactorily perform the services.

8. **Dissemination of Information**

The Contractor shall not release any information related to the services or performance of the services under this Contract nor publish any final reports or documents without the prior written approval of the Department. The Contractor shall keep all records and information received from the State confidential.

9. **Integration; Contract Modification**

Except for changes in the scope of services governed by Section 1 (b) of the Contract, this Contract may not be modified except by a written

instrument executed by both parties and approved as required by State law.

10. **Nonhiring of State and Departmental Employees**

No employee of the State of Maryland, or any department, commission, agency, or branch thereof, whose duties as such employee include matters relating to or affecting the subject matter of this Contract, shall, while so employed, become or be an employee of the party or parties hereby contracting with said State of Maryland, or any department, commission, agency, or branch thereof.

11. **Disputes**

Disputes arising under this Contract shall be governed by Title 15, Subtitle, 2, of the State Finance and Procurement Article of the Annotated Code of Maryland by Subtitle 10 of Title 21 of the Code of Maryland Regulations. Pending resolution of any dispute, the Contractor shall proceed with the performance of this Contract in accordance with the Procurement Officer's instructions. Unless a lesser period is provided by applicable statute, regulations, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

12. **Maryland Governs**

This Contract shall be interpreted and enforced according to the laws of Maryland.

13. **Nondiscrimination in Employment**

The Contractor agrees:

(a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or physical or mental handicap unrelated in nature and extent so as reasonably to preclude the performance of such employment;

(b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and

(c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

14. **Contingent Fee Prohibition**

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the contractor to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide salesperson or commercial selling agency, any fee or other consideration contingent on the making of this agreement. For breach or violation of this warranty, the State shall have the right to annul this Contract without liability or, in its discretion, to deduct from the consideration otherwise payable to the Contractor the full amount of such fee or other consideration.

15. Termination

(a) Termination for Default - If the Contractor fails to fulfill its obligations under this Contract or otherwise violates any provision of this Contract, the Department may terminate this Contract by written notice to the Contractor. The notice shall specify the act or omission relied on as cause for termination. All finished or unfinished work products provided by the Contractor shall become the property of the Department. The Department shall pay the Contractor fair and equitable compensation, based on the Contractor's applicable Exhibit I rate, for satisfactory performance prior to receipt of notice of Termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination, and the Department can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

(b) Termination of Contract for Convenience - This Contract may be terminated by the Department, in whole or in part, whenever the Department determines that termination is in the best interest of the State. The Department shall pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor may not be reimbursed for any anticipatory profits that have not been earned up the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12(A)(2).

16. Contingent on Appropriations

This Contract shall be cancelled automatically if the General Assembly fails to appropriate funds, or if funds are not otherwise made available, for continued performance in any fiscal year succeeding the first fiscal year. Automatic cancellation is effective at the beginning of the fiscal year for which funds were not appropriated or otherwise made available. Automatic cancellation under this Article does not affect either the Department's rights or the

Contractor's rights under any other termination clause in this Contract; its effect is to discharge both the Contractor and the Department from future performance of the Contract, but not from their rights and obligations existing at the time of termination. Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The Department shall notify the Contractor as soon as the Department has knowledge that funds may not be available for the continuation of the Contract for each succeeding fiscal period beyond the first.

17. **Warranties**

The Contractor hereby represents and warrants that:

(a) It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;

(b) It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;

(c) It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract;

(d) It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract;

(e) It has full right, power, and authority to execute and perform this Contract; and

(f) It warrants that no franchising or territorial agreements prohibit or prevent it from fully performing this Contract.

18. **Subcontracting and Assignment**

The Contractor may not assign any interest in this Contract or subcontract for the performance of any of the Contractor's obligations under this Contract without the prior written consent of the Procurement Officer.

19. **Document Retention**

The Contractor shall maintain and retain all records and other documents relating to this Contract for a period of three years from the date of final payment under the Contract or any applicable statute of limitations, whichever is longer and will make the documents available for inspection and audit by authorized State representatives including the Procurement Officer or designee, at all reasonable times.

20. **Indemnity and Insurance**

The Contractor shall indemnify the State, the Department, and the various departments, agencies, boards, and commissions to which services are rendered, as well as their respective officers, agents, and employees, and shall hold those same entities harmless from any liability arising out of the performance of this Contract, whether or not the injury is caused directly or indirectly by the Contractor or its employees, agents, or subcontractors.

21. Suspension of Work

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of the work for such period of time as he may determine to be appropriate for the convenience of the State.

22. Political Contribution Disclosure

The Contractor shall comply with Article 33, '30-1 through 30-4 of the Annotated code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county, or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term on (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

23. Financial Disclosure by Persons Doing Business With the State

Vendors and customers providing materials, equipment, supplies or services to the State of Maryland herewith agree to comply with State Finance and Procurement Article, Section 13 - 221 of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases or other agreements with the State and receives in the aggregate \$100,000 or more during a calendar year shall, within 30 days of the time when the \$100,000 is reached, file with the Secretary of State a list containing the names and addresses of its resident agent, each of its officers, and any individual who is a beneficial owner of 5 percent or more of the contracting business.

24. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

IN WITNESS WHEREOF, the PARTIES have executed this Agreement and have caused their respective seals to be affixed hereto on or before the date first set forth herein.

WITNESS/ATTEST:

For The Contractor:

By: _____ (SEAL)
Name Typed _____
Title _____

WITNESS:

For The Department:

By: _____ (SEAL)
John E. Hand
Name _____
Director
Title _____

Approved for Legal Sufficiency:

Assistant Attorney General

Attachments: Exhibit A: Solicitation/Invitation For Bids
Exhibit I: Bid Price Form
Exhibit II: Bid/Proposal Affidavit
Exhibit IV: Contract Affidavit

ATTACHMENT B

BID/PROPOSAL AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the [title] _____

and the duly authorized representative of [business] _____

and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies (as is defined in Section 16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Article 27, Section 641 of the Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, **except as follows** [indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business]:

C. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies, has:

(a) been convicted under state or federal statute of a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;

(b) been convicted of any criminal violation of a state or federal antitrust statute;

(c) been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. ' ' 1961, et seq., or the Mail Fraud Act, 18 U.S.C. ' ' 1341, et seq., for acts arising out of the submission of bids or proposals for a public or private contract;

(d) been convicted of a violation of the State Minority Business Enterprise Law, Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(e) been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (a), (b), (c), or (d) above;

(f) been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;

(g) admitted in writing or under oath, during the course of an official investigation or other proceeding, acts or omissions that would constitute grounds for conviction or liability under any law or statute described above, **except as follows** [indicate reasons why the affirmation cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment]:

D. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, **except as follows** [list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds for the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds for the debarment or suspension]:

E. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

1. The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

2. The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, **except as follows** [indicate the reason(s) why the affirmations cannot be given without qualification]:

F. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

G. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

1. Agreed, conspired, connived, or colluded to produce a deceptive show or competition in the compilation of the accompanying bid or offer that is being submitted;

2. In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

H. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain

specified information to include disclosure of beneficial ownership of the business.

I. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with the provisions of Article 33, Sections 30-1 through 30-4 of the Annotated Code of Maryland, which require that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year under which the person receives in the aggregate \$10,000 or more shall, on or before February 1 of the following year, file with the Secretary of State of Maryland certain specified information to include disclosure of political contributions in excess of \$100 to a candidate for elective office in any primary or general election.

J. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

1. Terms defined in COMAR 21.11.08 shall have the same meaning when used in this certification.

2. By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

(i) The dangers of drug and alcohol abuse in the workplace;

(ii) The business' policy of maintaining a drug and alcohol free workplace;

(iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Program all employees engaged in the performance of the contract with a copy of the statement required by ' 2(b), above;

(h) Notify its employees in the statement required by ' 2(b), above, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under ' 2(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under ' 2(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace;

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of ' 2(a)-(j), above.

3. If the business is an individual, the individual shall certify and agree as set forth in ' 4, below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

4. I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification:

(b) The violation of the provisions of, COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under, COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.06.

K. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

1. The business named above is a (domestic _____) (foreign _____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____

Address: _____

_____.

[If not applicable, so state].

2. Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the DLLR - Unemployment Insurance Division, as applicable and will have paid all withholding taxes due the State of Maryland prior to final settlement.

L. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The contractor, architect, or engineer warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the contractor, architect, or engineer, to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide salesperson, or commercial selling agency, any fee or other consideration contingent on the making of this agreement.

M. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify, or waive, on behalf of the State of Maryland or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms, and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative
and Affiant)

ATTACHMENT C

COMAR 21.07.01.25
CONTRACT AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the _____

(title)

and the duly authorized representative of _____

(business)

and that I possess the legal authority to make this Affidavit on behalf of myself and the business for

which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic _____) (foreign _____) corporation registered in accordance with Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____ Address: _____

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Unemployment Insurance Administration, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgments contained in that certain Bid/Proposal affidavit dated _____, 20__, and executed by me for the purposed of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: _____

BY: _____
Signature

(Authorized Representative and Affidavit)

ATTACHMENT E

DESCRIPTION OF DEBTS FREQUENTLY SENT TO CCU

Subsequent Injury Fund (SIF) - SIF bills insurance companies, self-insured employers, and uninsured employers at the rate of 6.5% of any Permanent \$ Award or Settlement paid to an individual injured on the job. Unpaid SIF assessments of 6.5% of the Permanent Award or Settlement are referred to CCU for collection.

Uninsured Employers' Fund (UEF) - employee is injured on the job. His employer did not have worker's compensation insurance. UEF pays the claim and bills the uninsured employer for reimbursement costs, fines, etc.

Health Claims Arbitration (HCA) - a patient sues a doctor for malpractice. Before seeking damages by lawsuit, he must go to arbitration. The patient and/or doctor are billed for the cost of the arbitration.

State Treasurer - the State self-insures against claims filed by citizens. The State will pay the claim and bill third parties involved in the accident.

Assessments and Taxation (DSAT) - unpaid gross receipt taxes billed to approximately 60 public service companies. Also penalties charged by the State for the late filing of the Personal Property Return.

Injured Workers' Insurance Fund (IWIF) - These are unpaid workmen's compensation insurance premium bills.

State Highway Administration (SHA) - a citizen who accidentally or intentionally damages a State sign or pole is billed for the replacement cost.

Motor Vehicle Administration (MVA) - two types of debts are referred. A bounced check debt, caused when checks to MVA for payment of title fees and excise taxes are returned. The debt may also be a fine for an individual or business driving a vehicle that is not insured.

Natural Resources (DNR) - could be bounced checks for licenses or other assorted debts, or rents due for property leased from the agency.

State Hospital Debts - for the cost of patient care received at one of the State's hospitals or nursing homes. They are:

Western Maryland Center	Rosewood Center
Deer's Head Center	Great Oaks Center
Walter P. Carter Center	Holly Center
Thomas F. Finan Center	Bland Bryant Building
Crownsville Center	Montebello State Hospital
Eastern Shore Center	Tawes Building
Springfield Hospital Center	Western Maryland Skilled Care
Spring Grove Hospital Center	RICA - Baltimore
Clifton T. Perkins Hospital Center	Potomac Center
Highland Health Psychiatric Unit	Brandonberg Mental Retardation Center
Upper Shore Community Mental Health Center	

Local Health Department - bills for out-patient service provided by all 23 counties and Baltimore City.

Medical Care Program Administration - debts owed by private insurance companies to reimburse the Medical Care Program Administration. NOTE: If the insurance policy does not cover debts, they are zeroed out. The patient/parent is not billed.

Department of Human Resources (DHR) - overpayments of Public Assistance or Food Stamps. Overpayments are made by all 23 counties in the State and Baltimore City.

Home Improvement Commission (HIC) - debts owed by home improvement contractors who did not complete the job or did shoddy work.

Public Safety or Correctional Institutions - inmates damage State property. Effective 10/1/94, court ordered victim Parole and Probation restitution debts began being referred to CCU.

State Colleges and Universities - there are 14 State colleges or universities. Most of the bills are for unpaid tuition, fees, parking fines, board, or student loans. The colleges are:

University of Maryland at College Park (UMCP)
University of Maryland at Baltimore (UMAB)
Bowie State University (BSU)
Towson State University (TSU)
University of Maryland - Eastern Shore (UMES)
Frostburg State University (FSU)
Coppin State College (CSC)
University of Baltimore (U of B)
Salisbury State University (SSU)
University College (UC)
University of Maryland Baltimore County (UMBC)
St. Mary's College
Morgan State University (MSU)
Baltimore City Community College (BCCC)

Community Colleges - unpaid tuitions, fees, and student loans.

Department of Environment (DOE) - fines for pollution or pollution clean up costs.

Bounced Checks or Payroll Overpayments - are received from all State agencies.

12/7/99

ATTACHMENT F

MINIMUM QUALIFICATIONS DOCUMENT

(Attachments Can Be Included)

IMPORTANT NOTE: ALL (14) ITEMS MUST BE ANSWERED

Contractor (Include Name, Address, and Telephone Number)

-
1. Experience (Detail years of collection experience.)

2. References (List two with debt referral volumes similar to the State's.
Include contact person and telephone number.)

3. Collection Procedures (State collection efforts that will be taken.
Include use of automated equipment, such as
predictive dialers, etc.)

4. Litigation (Acknowledge understanding the State's policy/requirements.)

5. Remitting Collections (State actions/service that will be taken/provided.)

-

6. State Offset Payments (Acknowledge understanding the State's policy/requirements.)

7. Computer Capability (List current computer hardware in use, and volume capabilities.)

8. Compromise Settlements, Cancellation/Abatement, Suspension of Effort
(Acknowledge understanding the State's policy/requirements.)

9. Reports (List reports that will be provided.)

10. Records Inspection (Acknowledge understanding the State's policy/
requirements.)

11. Compliance With Law/Arrearages (Acknowledge understanding the State's
requirements.)

12. Maryland State Office (Provide requested information. Include the prin-
cipal office and office in Maryland where the bulk

of the accounts will be worked.)

13. Defalcation Bond (Acknowledge understanding the State's requirements.)

14. Financial Statement (Attach a copy of the latest financial statements.)

ATTACHMENT G

Bond No. _____

FRAUDULENT CONVERSION BOND

KNOW ALL MEN BY THESE PRESENTS: That we, _____,
_____, State of Maryland, (hereinafter called Principal), as
Principal, and the _____ a
corporation of the State of Maryland, as Surety, are held and firmly bound unto the
State of Maryland, Central Collection Unit (hereinafter called Insured), in the full
and just sum of Two Hundred Thousand and 00/100---- Dollars (\$200,000), to the

payment of which, well and truly to be made, the Principal and Surety hereby bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal and the Insured have entered into a certain agreement under the terms of which the Principal is appointed agent for the Insured (That agreement resulting from Procurement No. _____); and

WHEREAS, the Surety has agreed to execute and the Insured has agreed to accept this bond under the agreement between the Principal and the Insured.

THIS BOND IS EXECUTED AND ACCEPTED SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

SECTION AA@

First: The Surety shall be liable hereunder for any loss caused by a default committed by the Principal, if such default is discovered prior to the expiration of three hundred and sixty-five (365) days from the date of the commission of the default causing such loss.

Second: Regardless of the number of years this bond shall continue or be continued in force and of the number of premiums that shall be payable or paid, the Surety shall not be liable hereunder on account of defaults by the Principal for a larger amount in the aggregate than the penal sum of this bond.

Third: The Surety shall not be liable hereunder on account of any money or other property that may be applied by the Insured or the Principal, or otherwise, to the payment to the Insured of any indebtedness of the Principal or of any shortage of the Principal originating prior to the date hereof.

Fourth: This bond shall terminate as to future acts of the Principal immediately upon discovery by the Insured of any fraudulent conversion on the part of the Principal, upon removal of the Principal from his position as such agent or upon termination of the aforesaid agreement entered into by the Principal and the Insured, whichever shall first happen.

Fifth: The Insured and Surety shall share any recovery from any source (excluding suretyship and excluding reinsurance, collateral and indemnity taken by the Surety for its own benefit) made by either on account of any loss covered hereunder in the proportion that the amount of the loss borne by each bears to the total amount of such loss; and simultaneously with the payment of such loss, the Insured shall execute all instruments which the Surety may require to secure to it the rights provided for herein.

Sixth: Except as provided in Fourth, this bond shall be effective during the entire term of the agreement between the Principal and the Insured including any extension or option period.

Seventh: Immediately upon discovery by the Insured of any act of fraudulent conversion committed by the Principal, or of any act on the part of the Principal that would indicate that the Principal is unworthy of confidence, the

Insured shall give the Surety notice thereof by telegram or registered letter addressed to the Surety at _____

Eighth: Within one hundred eighty (180) days after discovery as aforesaid of any act of fraudulent conversion causing a loss hereunder, the Insured shall file with the Surety affirmative proof of loss, itemized and duly sworn to on proof of loss form in use by the Surety, and shall, if requested by the Surety, produce from time to time, for examination by its representatives, all books, documents and records of the Insured pertaining to such loss.

Ninth: Any suit to recover against the Surety on account of loss hereunder shall be brought by the Insured before the expiration of twelve (12) months from the discovery, as aforesaid, of the default causing such loss.

Tenth: In case any limitation herein for giving notice, filing proof or bringing suit is prohibited or made void by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

Eleventh: The Surety hereby stipulates and agrees that no changes, extension of time, alteration or addition to the terms of the Contract or the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on the Bond and it does hereby waive notice of any such changes, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

Twelfth: This bond shall be governed by an continued in accordance with the laws of the State of Maryland any reference to Principal or Surety in the singular shall include all entities in the plural who or which are signatures under the Principal or Surety headings below.

Signed, sealed and dated this _____ day of _____, 20____.

BY: _____

ACCEPTED:

BY: _____ BY: _____

ATTACHMENT H

BID PRICE FORM

State of Maryland
Department of Budget and Management
Central Collection Unit
300 West Preston Street, Room 503
Baltimore, Maryland 21201

We hereby submit our bid to provide collection service to the
Department of Budget and Management/Central Collection Unit.

The undersigned proposes to furnish debt collection services
for the period May 1, 2000 to April 30, 2002 at the following
percentage rate:

Two-Year Contract Percentage Rate _____

Note: The rate is not only for the two-year term, but
for the option periods as well.

The undersigned certifies that the Bidder is() is not() a
certified MBE. If Bidder is certified, its Maryland Department of
Transportation MBE Certification Number is _____.

DATE: _____ BY: _____

-

TITLE: _____

(Owner, Partner or Officer)

FIRM: _____

STATE OF MARYLAND
DEPARTMENT OF BUDGET AND MANAGEMENT

DIVISION (AGENCY): Central Collection Unit

ADDRESS: 300 West Preston Street, Room 503
Baltimore, Maryland 21201

ISSUE DATE: January 18, 2000

SOLICITATION NO.: 2000-001

INVITATION FOR BIDS

PART I - BID INFORMATION

1.1 Subject of Bid

This Invitation for Bids (IFB) invites bids to the Maryland Department of Budget and Management/Central Collection Unit (DBM/CCU), substantiating in detail their qualifications and capabilities to perform collection services on primary assignments of delinquent debts owed to the State. The collection agency must provide national coverage with one collection office in the State of Maryland.

1.2 Term

The initial term of the contract will be two years, May 1, 2000 to April 30, 2002, with an option to renew, upon the same terms and conditions, for two additional one-year periods. Exercise of the renewal option will be solely at the discretion of the State.

1.3 Issuing Office and Procurement Officer

The sole point of contact in the State for the purpose of this IFB is the Procurement Officer at the Issuing Office as follows:

Name: John E. Hand

Title: Director, Central Collection Unit

Agency: Department of Budget and Management

Location: 300 West Preston Street, Room 503
Baltimore, Maryland 21201

Telephone: (410) 767-1204

1.4 Pre-Bid Conference

A pre-bid conference will be held on February 2, 2000 at 10:00 AM. While attendance at the pre-proposal conference is not mandatory, information discussed or distributed may be beneficial to the offeror.

The location for the pre-proposal conference is:

Lobby Auditorium
State Office Building #2
300 West Preston Street
Baltimore, Maryland 21201

1.5 Questions

a. All communications regarding this solicitation are to be made solely through the Procurement Officer.

b. All questions, either verbal or written, should be submitted in a timely manner. In the case of questions not received in a timely manner, the Procurement Officer shall, based on the availability of his time to research and communicate an answer, decide whether he can answer an untimely submitted question before the proposal due date.

c. A summary of both questions and answers will be sent to all prospective bidders who were sent or who obtained this IFB through DBM/CCU or who are known to the Procurement Officer to have obtained the bidding documents. Anyone receiving this IFB from a source other than DBM/CCU should promptly notify the Procurement Officer. Questions should be directed to the Procurement Officer.

1.6 Submission Deadline

The bid documents as required under Part IV of this Invitation for Bids are to be submitted in a sealed envelope captioned **"COLLECTION SERVICES - BID ENCLOSED"**. This submission must be received by the Procurement Officer at the Issuing Office by 12 NOON Eastern Standard Time on February 23, 2000. Requests for extensions of this date or time will not be granted. Except as permitted by COMAR 21.05.02.10, any late bid, late request for modification, or late request for withdrawal will not be considered. It is recommended that bids be hand delivered to the Issuing Office. Bidders mailing their bids should allow sufficient mail and internal delivery time to ensure receipt of their bids at the Issuing Office prior to the established closing date and time. Bids may not be submitted via fax machine.

1.7 Preparation of Bid Form

Do not alter or change any wording on the Bid Form. The original and one (1) copy of the Bid Form shall be submitted. Bids shall be typewritten or written legibly in ink. All erasures shall be initialed in ink by the signer. All bids shall be signed in ink by a person authorized to bind the bidder.

1.8 Preparation of Contract

All prospective bidders shall return a signed, filled out copy of the Contract (Attachment A) with their bid. Any bid returned without a signed, filled out contract may be deemed to be non-responsive.

1.9 Incurred Expenses

DBM/CCU and the State are not responsible for any expenses which may be incurred by bidders in preparing and submitting bids in response to this IFB.

1.10 Duration of Bids

Bid prices shall be irrevocable for a period of ninety (90) days following bid opening.

1.11 Bidder's Affidavits

Each bidder shall complete and submit with the bid, an original and one (1) copy of signed BID/Proposal Affidavit (Attachment B, an original and one (1) copy of the Contract Affidavit (Attachment C) and an original and one (1) copy of the Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1). See paragraph 4.1.

1.12 Minority Business Enterprise Notification

A Minority Business Enterprise (MBE) participation goal of 14% has been established for this solicitation. The Contractor shall structure its award of subcontracts in a good faith effort to achieve the goal by subcontracting with businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in Attachment D of this IFB.

A current directory of certified MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P.O. Box 8755, BWI Airport, Maryland 21240-0755. The phone number is 410-865-1244.

1.13 Procurement Regulations

This IFB and any contract entered into as a result thereof, shall be governed by the State Procurement Law, codified in State Finance and Procurement Article of the Annotated Code of Maryland and in COMAR, Title 21, as amended.

1.14 Revisions to IFB

If it becomes necessary to revise any part of this Invitation for Bids, amendments will be provided to all prospective bidders that were sent this Invitation for Bids or otherwise are known by the Procurement Officer to have obtained this IFB.

1.15 Cancellation of IFB; Rejection of All Bids

DBM/CCU reserves the right to cancel this IFB in whole or in part or may reject all bids or may accept or reject, in whole or in part, any bid submitted in response whenever

this action is determined to be fiscally advantageous to the State or otherwise in its best interests.

1.16 Acceptance of Terms and Conditions

By submitting a bid in response to this IFB, the bidder shall be deemed to have accepted the terms and conditions set forth in the IFB and in the contract form included as Attachment A of this IFB.

1.17 Access to Public Information Act Notice

A bidder should give specific attention to the identification of those portions of its bid submissions that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland.

1.18 Compliance With Law/Arrearages

By submitting a bid in response to this IFB, the bidder, if selected for award, agrees that it will comply with all Federal, State and Local laws applicable to its activities and obligations under the contract.

By submitting a bid in response to this IFB, the bidder shall be deemed to represent that it is not in arrears in the payment of any obligation due and owing the State of Maryland or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and if selected for award, that it shall not become so in arrears during the term of the contract.

The Contractor will not be permitted under any circumstances to use threats, intimidation, or harassment in the collection process or to violate any guidelines established by the Federal Trade Commission. The Contractor will comply with the Code of Ethics in Sections 14-202 of the Commercial Law Article of the Annotated Code of Maryland, Title 15, Commerce and Trade Sections 1601 - 1700 of the United States Code Annotated, and with the Fair Debt Collection Practices Act (P.L. 95-109) and all other applicable state and federal laws.

1.19 Multiple or Alternate Bids

Multiple or Alternate Bids will not be accepted.

1.20 Site Survey

An office of the Contractor must be located in Maryland. All bidders' Maryland offices are subject to site survey by the Procurement Officer or his designee. Arrangements will be made prior to final award.

1.21 Assignment

The contractor is prohibited from subcontracting, assigning, transferring, conveying,

subletting, or otherwise disposing of its rights, title or interest under this agreement to any other person, company or corporation without the previous consent and approval in writing by the State.

PART II - SCOPE OF SERVICES

2.1 Background Information and Description of Accounts

The Central Collection Unit (CCU) is responsible for the collection and of all delinquent debt, claims and accounts of the State other than taxes and child support. Typical debts are college tuition and fees, a small number of student loans, public assistance and food stamp overpayments, Parole and Probation restitution accounts, reimbursement for vehicular damage to State property, bounced checks, reimbursement for care at a State hospital, unpaid workers' compensation insurance premiums, Home Improvement Commission awards, environmental fines, etc. During a normal year, CCU will receive 80,000 debts with a dollar value of approximately \$80 million. See Attachment E for a Description of the Debts Frequently Sent to CCU. Due to the large volume of debt referrals approximately 50,000 debts per year with a dollar value of approximately \$30 million are referred to an outside collection agency for primary referral collection service. Accounts referred include an average of 85% - 90% in-state accounts and 10 - 15% out-of-state accounts. Debts are normally referred after six months of unsuccessful collection effort by CCU. Debts are referred monthly by electronic media. The primary outside collection agency is authorized to take collection efforts for six months before returning uncollected accounts by electronic media to CCU. The current vendor's recovery rate has been approximately 4.4% over the last two years. The current vendor is paid 13.9% of amounts collected.

2.2 Collection Procedures

The Contractor will implement thorough collection procedures and attempt to achieve maximum recovery from debtors. These procedures will include a reasonable number of telephone calls on debt amounts of \$100 or more, direct mailing efforts, and skip tracing procedures when necessary. The Contractor must have the ability to collect retail/individual debts (approximately 80% of referrals), commercial/business debts (approximately 10% of referrals), and insurance debts (approximately 10% of referrals).

2.3 Litigation

Only the Maryland Attorney General's Office is authorized to file suit on behalf of the State. Whenever the Contractor feels that normal collection procedures will not produce the desired results, and has determined that litigation is necessary to resolve the account, a recommendation to initiate legal action should be forwarded to the Central Collection Unit.

The Contractor will return those accounts requiring litigation to CCU. Once judgment is obtained, this account may be returned to the Contractor for collection efforts.

2.4 Remitting Collections

Office in Maryland - The Contractor must deposit remittances daily to a bank account in Maryland designated by the Central Collection Unit and in the name of Central Collection Unit. The Contractor must forward to Central Collection Unit a copy of the bank deposit slip and a transmittal form itemized by debtor's name, account number and amount. The bank deposit amount and transmittal amount must agree.

For Office Outside of Maryland - The Contractor shall submit weekly to the Central Collection Unit all gross payments received. Payment to the CCU shall be made by Contractor's or its affiliate's check payable to the CCU in the amount of the total weekly remittance, such check to be accompanied by a weekly remittance statement that shall itemize such remittances by debtor's name, CCU account number, amount, returned checks, any account correction or adjustment, and such further information as CCU may request. The total balance of the weekly remittance statement must agree in every respect with the total of the check issued by Contractor to the CCU. Alternatively, an out-of-state Contractor, who utilizes Bank or America, can deposit remittances daily to the State of Maryland's account.

2.5 State Offset Payments

The Central Collection Unit will notify the contractor of all offset payments including interception of the debtor's Maryland income tax refund; offset of the debt against a State employee's salary; and offset of a payment to debtor/vendor doing business with the State.

Commission will not be paid on offset payments. Instructions relating to invoicing/crediting direct payments will be formulated with the Contractor.

2.6 Computer Capability

A bidder must have computer facilities capable of providing the following services:

- a. Accepting, processing, reporting, and returning accounts in an electronic media format provided by the State;
- b. Cancelling accounts by electronic media;
- c. Accepting adjustments to accounts by electronic media; and
- d. Charging interest on accounts on a timely basis when required.

2.7 Compromise Settlements

Contractor shall not accept any compromise payments without approval of the Central Collection Unit. The Contractor shall furnish CCU with any proposal for a compromise settlement, a review of the relevant facts and the Contractor's recommendations.

2.8 Cancellation and Abatement of Accounts

Upon cancellation of an account, or when the account is considered uncollectible, the account shall be returned to the Central Collection Unit together with an explanation for cancellation by the Contractor, and a recommendation as to whether the account should or should not be abated by the Central Collection Unit. The Contractor has no authority to abate any claim or account, and shall receive no compensation for uncollected accounts.

2.9 Suspension of Collection Effort

Contractor agrees to suspend action on any individual account referred for collection upon notification by the Central Collection Unit. At the request of the Central Collection Unit, the Contractor shall return to the Central Collection Unit the account on which collection effort has been suspended. In such cases, this action will not nullify

commissions due the Contractor as a result of collection activity before suspension.

2.10 Reports

The Contractor shall furnish the Central Collection Unit with, at a minimum, the following:

With regard to collection activities, the Contractor must report:

- a. A letter of confirmation acknowledging the receipt of accounts, debtor's name, CCU account number, and account balances assigned with each placement.
- b. A monthly inventory of referred accounts indicating debtor's name, CCU account number, date account was placed, original balance referred, date and amount of payments received during the period, current balance and account status.
- c. A performance analysis by debt type of referred accounts indicating:
 1. the total number and aggregate value of accounts placed for the month;
 2. the total number and aggregate value of accounts placed during the contract period to date;
 3. the gross collections for each placement, for the month and on a cumulative basis;
 4. the total number and aggregate value of cancelled and returned accounts for each placement, for the month and on a cumulative basis; and
 5. the total number and aggregate uncollected value of the current inventory of accounts for each placement.
- d. A final report summary upon completion of the contract shall include all assigned accounts, indicating the debtor's name, CCU account number, date assigned, balance outstanding, and status of account.

2.11 Record Inspection

Contractor shall maintain for all accounts, ledger records which reflect the original balance, additional charges, collection and commission. The State and/or the Central Collection Unit shall have the right to inspect such records without notice at any time. Central Collection Unit also reserves the right to confirm the accuracy of all payment information furnished by the debtor directly.

Contractor must also make available for review by the Central Collection Unit all records/notes detailing collection efforts made on an account.

PART III - MINIMUM QUALIFICATIONS

Bidders must complete a Minimum Qualifications Document (Attachment F) to verify that the following minimum qualifications are met. The Procurement Officer, on behalf of the Department and in the exercise of his discretion, may or may not contact one or more of any cited references, and in addition, may contact any other reference of his choosing.

3.1 Experience

Bidders must have three years recent experience in the collection of debts similar to those described in Part 2.1.

3.2 References

Bidders must provide a minimum of two (2) references of work performed of a similar nature as required in this IFB.

References must be a business or governmental organization that referred 5,000 or more accounts to the contractor per year.

3.3 Scope of Services

Bidder must positively reply to the Scope of Services items on the Minimum Qualifications Document (Attachment F).

3.4 Maryland State Office and Licensing

An office of the Contractor must be located in Maryland. The Central Collection Unit reserves the right to require submission of additional information concerning any proposed establishment of a Maryland office. The bidder's proposal must identify the address of the bidders's principal office and identify the address of the Maryland office. The bidder must be licensed in Maryland as a collection agency.

3.5 Defalcation Bond

The successful bidder will be required to maintain in full force and effect, during the contract term and any period thereafter during which the Contractor has in its possession any accounts forwarded to it by the Central Collection Unit, a blanket bond in an amount of not less than \$200,000. The bond must be executed by a surety authorized to do business in the State of Maryland and must protect the State and the Central Collection Unit against any loss through failure by the Contractor or any of its employees to reimburse the Central Collection Unit its share of monies collected. If any accounts are forwarded to a subsidiary, the subsidiary will also be required to comply independently with this bonding requirement.

The bond must be approved by the Office of the Attorney General prior to award of the contract. A sample bond is attached (Attachment G).

3.6 Financial Statement

The bidder must submit its most recent audited financial statements including a balance sheet and profit and loss statements. The financial statements must be audited by an independent certified public accountant and must include all notes to the statements. The audit report must express an opinion as to whether the balance sheet presents fairly the financial position of the bidder. An audit report containing a disclaimer of opinion of the balance sheet does not satisfy the requirement of this section. Management letter comments regarding the Adequacy of Internal Controls must be submitted along with the financial statements.

PART IV - BID SUBMISSION

4.1 Bid Format

An original and one copy of the following must be included in the bidder's bid submission:

- a. Minimum Qualifications Document (Attachment F).
- b. Bid Price Form (Attachment H).
- c. Bid/Proposal Affidavit (Attachment B).
- d. A filled-out and signed Contract (Attachment A). Bids returned without a signed, filled-out contract will be deemed non-responsive.
- e. Contract Affidavit (Attachment C).
- f. Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1).

PART V - BID EVALUATION AND AWARD

5.1 Bid Opening

Bids shall be opened on February 23, 2000 at 1:00 P.M. at the Central Collection Unit, 300 West Preston Street, Room 503, Baltimore, MD 21201.

Award of the contract will be to the responsive and responsible bidder who has met the minimum qualifications outlined in PART III of this IFB and submits the lowest percentage rate.

5.2 Payment to the Contractor

The Contractor will be paid on the basis of the agreed percentage rate for all monies collected (whether principal, interest, or collection charges) on referred accounts. This will be the sole consideration paid to the Contractor, and the State will not reimburse the Contractor, other than as part of this compensation, for costs or expenses paid or incurred. Only one percentage rate can be submitted for the two-year term of the contract.

The Central Collection Unit will pay invoices of the Contractor within thirty (30) days of receipt.

